GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2908
ANSWERED ON:15.03.2001
PROTEST BY GLOBAL ENERGY COMPANIES ON POLICY OF SUBSIDY ON LPG
ANANTRAO GUDHE

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether six global energy companies have protested over the policy of continued high level of subsidy on LPG and demanded a level playing field for private sector;

(b) if so, the details of memorandum received by the Government in this regard;

(c) the reaction of the Government to the points/issue raised therein; and

(d) the details of final decision taken/proposed to be taken in the matter and the present status thereof?

Answer

MINISTER OF STATE FOR PETROLEUM AND NATURAL GAS(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): Indian LPG Industries Association have made a representation to the Government requesting the following:

(i) Private LPG marketers may also be allowed to sell subsidized domestic LPG;

(ii) In the terminal year of deregulation, the 15% subsidy on LPG be absorbed in the general budget as a reduction in excise duty;

(c) & (d): As per the Government resolution of November, 1997 on the details of phased dismantling of the administered pricing mechanism, domestic LPG will be subsidized to the extent of the 15% of import parity price and subsidy will be met from the fiscal budget. No decision has been taken as yet in regard to allowing the private marketers to sell the subsidized domestic LPG.